

CITY COUNCIL WORKSHOP MINUTES  
Capital Improvement Plan  
March 15, 2016  
Morganton City Hall  
Council Chamber

Ronnie Thompson, Mayor

Sally W. Sandy, City Manager

Louis E. Vinay, Jr., City Attorney

John H. Cantrell     )  
Forrest A. Fleming   ) Councilmen  
Sidney Simmons     )  
Vacant Seat         )

Others present included Department Heads and various staff members. Also Demetri Baches of Metrocology, Inc. Citizens throughout the day: Wendy Cato, Lamar Smitherman, and others.

**Welcome** - The Mayor called the meeting to order at 8:30 a.m. and welcomed everyone to the meeting.

•The City Manager stated that at the March 7, 2016 City Council meeting the summary sheet given to Council stated the Historic Preservation Commission appointments were Mayoral appointments. That was a typo and should have read these are Council appointments. In order to clear up any confusion and validate the appointments of David A. Stevenson and Tyler Franklin Sain we ask that these appointments be confirmed by the entire Council.

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council confirmed the Mayor's appointments of David A. Stevenson and Tyler Franklin Sain to the Historic Preservation Commission to fulfill terms to expire on November 8, 2017.

•The City Manager asked Scott Lookadoo to talk about the front loader that recently broke down. Lookadoo stated that the Public Works department provides solid waste collection to commercial accounts and residential multifamily units with front loader trucks and dumpsters. He stated the department uses a 2011 Autocar front loader for daily services and has a 2005 Mack Front loader as a spare. On Friday, March 11<sup>th</sup> the 2005 Mack was in service because of maintenance on the 2011 Autocar. The compact body failed and the truck is not economically repairable due to normal wear and tear and corrosive rust of the refuse body. Customer service can continue with one truck in service and in the past with one truck in operation we have contracted with private service providers to collect our customer accounts during service of the primary truck. This option is expensive and does not provide dependable service.

Lookadoo stated that this program is an integral part of service to the citizens of Morganton. We have demonstrated the service and financial advantages of municipal service over

private sector service providers in the past. Purchasing a truck for primary service and using the 2011 Autocar in the role of spare is in the best interest of the City. Calculations adding operational costs and financing capital outlay is a positive cash flow situation. He stated the total cost accounting amortizing two service trucks with a projected ten year life added to total operation costs has a favorable financial analysis.

Lookadoo stated that Carolina Environmental Systems, Inc. has a 2016 Mack MRU cab chassis with a Heil DuraPack HalfPack 40 cubic yard heavy duty front loading refuse truck available on order at the 2016 NJPA price of \$242,262. This truck meets our service requirements. If an order is placed before the end of March 2016 it will allow for current year pricing. If we wait until FY 2016/17 it will likely involve cost increases and probable delivery of 8 to 10 months after order.

Lookadoo requested a budget amendment in the amount of \$242,262 for purchase and \$2,006 for tag and taxes totaling \$244,268 for the purchase of a front loading compaction refuse truck.

He also recommended awarding a contract to Carolina Environmental Systems, Inc. in the amount of \$242,262 for the purchase of a 2016 Mack and Heil DuraPack HalfPack 40 cubic yard refuse vehicle under NJPA sales contract price.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously the Council approved awarding a contract to Carolina Environmental Systems, Inc. in the amount of \$242,262 for the purchase of a 2016 Mack and Heil DuraPack HalfPack 40 cubic yard refuse vehicle under NJPA sales contract price.

Staff indicated an installment financing is recommended for the purchase. Bids will be obtained and Council will consider at the regular April 4 Council meeting.

- The City Manager offered a preview of the day's agenda. She stated the State has not sent out revenue projections yet. So today's CIP is presented without the context of revenues available but based on need and long-term planning.

- The Manager then announced a special joint meeting with the Burke County Commissioners on Monday, March 28, 5:00 p.m. to hear a report on the finalized Broughton Reuse Study. This will take place in the Commissioners' Board Room.

- She also announced a Special Meeting slated for April 6, 8:30 a.m. to hear the report from the Cable Consultant. That meeting will be held in Conference Room 4 at City Hall. She stated that the CIP discussion for CoMPAS will be delayed until after April 6.

## **General Fund – CIP**

Pictures were presented as a part of the presentation for most requests.

**CoMMA** – Jim Smith stated that voting is taking place at CoMMA today. Jim talked about his vision for the next few years.

Smith stated he has noticed major problems regarding mortar on the building. He stated that in every four sets of bricks there is a steel bar which has contributed to mortar damage. He stated he has received bids on repair.

Councilman Cantrell asked if this was purely cosmetic. Jim stated yes, at this point it is cosmetic, but if not dealt with it could contribute to structural damage in the future.

Smith stated the Etta Baker statue is in the works. The base for the statue is made of Tennessee Limestone and has been delivered. He stated that landscaping is needed as well as lighting posts. He also shared that part of the 3<sup>rd</sup> grade curriculum in BCPS is to learn about local artists. Smith is working with the school system to build a curriculum based on Etta Baker.

Jim talked about the need for new front doors and the need to repair/replace some cracked tiles at the entrance. He shared the desire of a glass awning over the doors to keep wind/rain off patrons and out of the building. He stated a glass awning would not take away from the contemporary look of the building.

Smith stated the only complaint they receive from artists is not having the proper equipment. He stated that some of the equipment is outdated. His requests include: purchasing a stage monitor digital snake, to rewire/relocate drop boxes, and a digital sound control console. He stated this would bring CoMMA up to current industry standards.

Councilman Cantrell asked about the timing of the Etta Baker statue. Smith stated the sculpture should be done December/January. He stated February is Black History Month and March is Etta Baker's birth month so they hope to find a date in February or March of 2017 for the dedication.

**Development & Design** – Lee Anderson stated the first request was to replace the survey vehicle. The steering mechanism is going bad, the ignition system is troublesome, and the interior is shot. He stated a smaller size vehicle would be acceptable due to the smaller equipment and a smaller one-man crew. Lee stated the need for safety features such as strobes for use on the roadside. The garage recommends replacing this vehicle.

Anderson stated they are working on the final survey and topography, as well as acquiring rights-of-way, for the downtown greenway connector. The cost for the greenway connector will be \$1,668,209 with \$1.3 million coming from a federal grant. The timeframe of the project will be set once the grant agreement is signed, which will probably be 5 years. Anderson expects the project to begin sometime in Spring 2017. He stated there were two design issues they were still working through.

Councilman Cantrell asked if there was \$1.3 million in grant funds would that mean the City would be responsible for the remaining \$300,000. Anderson stated that was correct

and part of that money would be in the form of CBDG funds. The City Manager stated that these funds are in this year's CDBG expenditures. This is a 2016-2017 grant for the City. Anderson stated there are many things that have to happen between now and the start of this project. He stated this is "the" most difficult part of the greenway project.

The City Manager stated a Capital Projects Fund would be set up because the project will cross fiscal years, but needed to be included now so resources/expenditures could be matched. Anderson stated some monies were in other lines and gave examples, then stated that with federal grants there were a lot of hoops to jump through. Anderson stated he wanted to make sure everything was in order prior to signing the grant agreement because he didn't want the City to get to a place where there wasn't enough money budgeted. If that was the case, he stated, we could walk away from the grant. Councilman Cantrell stated that it's not a sin to walk away. Councilman Cantrell stated the Council would have to ask if this was spending the taxpayer money wisely. He stated we have hit a home run with the current portions of the greenway and would this be used as heavily.

Anderson stated he felt it would be widely used. This is the connector piece, getting people from downtown to Catawba Meadows, the most prominent park and tourism piece in town. The City Manager stated the Broughton Reuse folks are looking at this type of investment into the community from the City. If the City wants to change the demographics, the City needs to make our community attractive to the younger demographic; this is the type of project that will help to attract them.

The City Manager stated she was sharing an article, for the Council to read later, from The Atlantic titled, "11 Signs a City Will Succeed". She stated that as they read through they will notice how many things the City of Morganton is doing and how it all fits into our larger plan.

Councilman Fleming asked Anderson what he thought the ultimate cost would be for the greenway project. Anderson stated that he expects it will be as projected, currently \$1.6 million.

Anderson stated the need for \$116,460 for Exit 104 enhancements. He has talked with DOT about putting zoysia grass in the medians along Enola Road to lower long-term maintenance costs. He stated this really ties in to the Broughton Reuse Project – it's another piece of the puzzle. He stated that City Council should be proud they had the vision to begin this project back in 2006.

**Public Safety** – Chief Rector shared his requests including:

- \$32,000 to replace a generator at Station #2. The generator is over 20 years old.
- \$24,000 to replace the roof at the Fire Training Grounds.
- \$400,000 to replace Engine #3, a 45 year old truck. The 1970 LaFrance was last refurbished in 1980. Rector stated that it is a good truck, but does not meet insurance standards. The City Manager stated the new truck would be financed for a period of

time. She stated that we are retiring debt this year from a previous fire truck purchase so this is replacing debt-service payments.

Mayor Thompson asked it if the old truck would be kept. The Chief stated that it would be sold on GovDeals.

Councilman Simmons stated the last truck was \$850,000, he then questioned why this one is only \$400,000. Chief explained the two different truck styles. The last one was an aerial truck with 75' extension to fight fire from the air, while this truck is a ground only truck. Chief Rector stated the next truck needed would be a 100' ladder truck which will cost over a million dollars.

- \$370,000 for 8 Patrol vehicles which need to be replaced. Chief stated these vehicles that are more than 10 years old will be replaced with new Dodge Chargers. 40% of the current patrol cars have over 80,000 miles on them; 20% have over 100,000 miles.

- \$396,826 for Self-Contained Breathing Apparatus (SCBA) replacement. The current apparatus were bought through a FEMA grant in 2004. The (NFPA / OSHA) life expectancy on these is 15 years which is where we are. Chief stated they are trying to get another grant this year. If they do not receive the grant this year they will wait until next year to replace. There are approximately 70 units in service and this would replace them all.

- \$100,000 for Body-worn cameras. The Chief stated they were working on a 100% grant but he is doubtful we will receive it. Even if the City did get this grant we still have to provide the infrastructure for storage. If you take video it HAS to be stored and maintained. The City Manager stated this was not an inexpensive prospect; it equates to about one cent on the tax rate per year.

Other Public Safety needs:

Replace exterior signs at Fire Stations - \$12,600

Repave parking lot at station #2 - \$60,000

Replace heat/AC units at HQ - \$15,000 – built in 1970s and the system is original

Sprinkler systems at fire stations - \$24,000

Fire station upgrades – patio concrete/gutters - \$20,000

Replace HQ Camera Surveillance - \$13,000

Replace two 2004 CID Vehicles - \$32,000 (garage says yes)

Purchase surveillance vehicle - \$15,000

Taser Replacement - \$15,000

Replace firefighter turn-out gear - \$25,000; NFPA says turnout gear is good for 10 years, and they have a replacement cycle.

Replace 7 SWAT Weapons - \$8,700; 20,000 rounds have gone through these weapons.

Replace XLT 1500 Mobile Radios with APX - \$35,000

DWI Simulator - \$23,000; seeking Governor's Highway Safety Program grant; will not buy if we don't receive the grant.

SWAT Tactical Remote Device - \$24,500; Governor's Crime Commission grant. This device can be used regionally not only in Morganton. The Chief stated that if the City does not get the grant we will not get this device.

The Mayor called a recess at 10:10. The Mayor reconvened the meeting at 10:25 a.m.

### **Mainstreet: Downtown Masterplan**

The City Manager stated the current Masterplan was adopted in 1997. We are now looking at what plan will serve us next. Sharon Jablonski stated that the changes have been phenomenal since this masterplan came into being. Sharon stated that Ron Morgan was a visionary and invested money into the process. She stated that nothing happens fast, but the planning process helps to guide where you are going.

Demetri Baches of Metrocology, Inc. shared a PowerPoint on Resilient Communities; Promoting Development, Environment and Place. Baches stated that he loves helping communities vision where they want to be. He stated that Morganton has shown they can and are willing to do what it takes to make a good community. He stated that in the 1980s-90s the focus was on zoning, administration, and code enforcement; that was it. No one had a vision of what to do or how to move forward. Baches stated cities have only recently begun to realize why visioning is important; it's not the buildings, but what is IN the buildings.

Baches stated the next step is to anchor what we have done and move into the adjoining neighborhoods. He stated that every day the question is "how can I make this the best place to be?" Why would I (or anyone) come to Morganton? The answer needs to be "because we are doing amazing things." He stated it comes down to MONEY. Planning is important because on a per acre/SF value downtown out-performs big box properties. The per acre tax yield rises dramatically the nearer the downtown center. Baches made the financial case that planning and investing in downtown leads to more return on investment per acre than in outlying areas.

Downtown Masterplanning is different than it was before; it is more a series of habits that are created. The elected officials are like the CEO/board of a big business. We know how to make a place succeed so by making a masterplan we are making a playbook to follow.

Baches queried, "Why do we want a masterplan?" We have to have this to survive. He stated that almost never are we able to say "I have discovered something", because someone has already done it. Just about anything we are thinking of now has been done. Baches stated that Chicago is such a great city because it had an amazing plan put in to place in the 1910s. The Burnham Plan for Chicago is the benchmark for masterplanning. Burnham showed the vision of what Chicago would look like over the years. Baches stated there is a handbook that accompanied the plan that is given to ALL school children; over the years as those children grew up with this vision, they

began to implement it. He stated the same thing happened in Boston which created “the green necklace.”

Baches stated we need to work to make the neighborhoods a part of downtown, and to tie downtown to the rest of the community. He stated we need to work on how to make people 3 miles away understand that downtown is vital to their interest.

Baches stated the need to have documentation behind the vision so that following the documentation becomes habit; so the people around you know the history and do the same thing needed to move ahead. It is a multi-generational effort and we need to have documentation in place for those who come behind us; we need to talk about it every day to grow and encourage those future champions of the vision. North Carolina has a lot of really awesome small/mid-sized towns and those are who we are competing against.

The City Manager stated this is simple to talk about, difficult to do. Demetri stated not as difficult as it used to be.

Anderson stated it's a reinvestment into the next generation. He stated you have to keep planning for the next 10-20 years, otherwise you cut off your future. He stated that in 20 years downtown Morganton went from 0 housing units to 143 units. Anderson stated that governmental backing/commitment builds confidence in the private sector. He stated it was difficult to get the private sector to commit in the beginning.

Baches stated that investing in buildings like this City Hall was hard; the banks would ask for a comp and there were none. Now, he stated, it's almost as easy to get money for this type of reinvestment into the community as it is for money for a new shopping center on the highway; it's not as pioneering, but it takes commitment.

The City Manager stated we have seen our downtown tax values increase. Baches stated we could easily quadruple that tax value with the number of empty parking spaces in our downtown.

## **General Fund – CIP**

**Public Works** – Scott Lookadoo stated he was going to tell stories because he is the “old man on the block”. When he came to work for the City he worked in the Finance Department. At that time Capital Planning was a wall of numbers. He created the first spreadsheet in LOTUS123.

Lookadoo stated he has a list of 108 pieces of equipment with a stair-stepped life expectancy through 2028.

He has reduced his equipment and personnel since he first began. What he used to do with five men he does with one. The equipment needs to support a service. If we cut a piece of equipment we need to talk about the level of service we plan to provide.

Scott's requests included:

Sanitation:

\$52,000 to replace 1998 International 2T Dump #173 (Diesel)

\$36,000 to replace Kubota Refuse Haulers (Diesel) – these are stronger vehicles than the Cushman - private haulers in the area have wanted to come in to take over trash pickup and cannot come close to our costs/level of service

\$178,000 to replace 2006 Rear Loader #240 (Diesel)

Grounds and cemetery:

\$48,000 to replace 2004 Ford 1T Flatbed Dump #603 (Gas)

\$16,500 to replace 2006 Tractor/Mower #120 Snow Plow (Diesel)

Municipal Buildings:

\$25,000 for Maintenance/Repair Buildings

\$18,500 for Collett St. Recreation Center Fire Alarm – Greg takes care of the fire alarm systems inspections. The fire marshal stated that because of so many events the rec center needs a monitored fire alarm system

\$25,000 to replace Hybrid #9 (Gas) – would like to surplus prior to needing batteries.

Street Division:

\$21,000 to replace 2011 Riding Mower #101 (Diesel)

Powell Bill:

\$47,420 for Exit 104 Sidewalk – Part of the Enola Road project.

\$265,000 to replace 2007 Johnson Street Sweeper #175 (Diesel) – keeping gutters clean helps to maintain drainage and environment.

Councilman Simmons asked if the performance of the sweeper has gotten better.

Scott stated he was going with a mechanical sweeper. The current sweeper takes supervision and is not easy to run. He stated the main corridors receive a higher level of service than residential.

Mayor Thompson asked how long the sweeper would last. Scott estimated 10 years. He stated the quality of sweeping is also part of the job of the operator.

Garage: Is an internal service fund.

\$25,000 to replace 1998 Chevy 3/4T Pickup #900 (Gas)

\$5,000 to replace Ingersol Rand Air Compressor

\$18,000 to replace Brake Lathe

**Recreation** – Gary Leonhardt shared his requests:



Petanque Courts - \$20,000, similar to horseshoe pitching. Very inexpensive to build. These are planned near the soccer complex. There will be six non-lighted courts with a semi-hard surface.

Weight & exercise room renovations - \$49,000 – has had no major renovations since opened in 1994. Looking at replacing the 10 station universal, change the flooring, lighting and some individual equipment, painting.

Councilman Cantrell asked the number of people who use the weight room daily. Gary stated it varied, maybe 25-30 per day, there are now competitors in the downtown area.

Recreation Master Plan - \$70,000 – In the late 1990s the Recreation Department did a 15-year plan. Gary stated that many things have been accomplished. He stated that updated masterplans are needed during grant requests in order to stay competitive for the grants. The City Manager stated that local private monies are still available for the soccer complex if we can get the PARTF grant.

Councilman Cantrell asked if the City would be paying an outside firm for this masterplanning. Gary stated it would be an outside firm and the process would include community meetings and public input along with a good community survey which is needed.

Councilman Cantrell asked about the timing of beginning the masterplan. The City Manager stated as soon as we got a new recreation director we would then begin to send out Requests For Proposals (RFPs) sometime in the fall. The hope would be to have the masterplan ready for the next budget season (2016-17).

Irrigation System Upgrade CMP & Soccer Complex - \$15,000 – Gary stated the new irrigation system would read moisture content in soil so the system won't be on when it's raining, etc. Gary stated we now have a great turf manager, Andrew Tallent, who has made a big difference in the look of the grass on the fields.

Skatepark - \$180,000 – Gary stated he had never been an advocate due to liability; however today's laws and regulations are similar to tennis courts, the rules are posted and it is used at the skater's own risk. The skatepark being looked at is concrete / in-ground with no moveable equipment. Gary stated it would be easy to maintain and be about the size of two tennis courts put together. He stated the location is important; skaters are exhibitionists, they like to be seen skating. He stated he would not want it located next to a tennis court. He stated he feels the best place would be near the Collett Street pool where the old tennis courts were. He stated the Foundation has committed \$90,000 and the City would pay \$90,000 as presented in this CIP.

The City Manager asked about private monies and does the City still want to have those folks have "skin in the game". Gary stated that Eliot Lytle has stuck with this project, has been good to talk with, and has been very helpful in the process. Gary stated that Eliot had told the Foundation that his goal was to raise around \$20,000. The City Manager

stated that we needed to tell the group what the expectation is. Both Gary and the Manager discussed that a skate park will not end the skaters in forbidden areas. Gary stated that when you build a skatepark you will triple the number of kids skating around town, but at least you can point them to the skatepark.

Councilman Cantrell asked how much time Public Safety takes with skateboarders. Chief Rector stated that a few years ago they took a lot of time dealing with skaters, but currently not so much. Major Lander stated that Sharon Jablonski called him when the skaters began skating on the new patio of the Community House. Lander stated he went and talked with Eliot and it seems to have stopped because of the influence Eliot has in the skating community.

The City Manager asked how much the skating community should bring to the table. Gary recommended \$25,000. The City Manager asked the Council if the City should pull the trigger with or without that money. If it is in the budget in July people will want to know when it's going to be built.

Councilman Cantrell suggested making it conditional upon the private contribution.

The City Manager asked if the Council wanted to require the money upfront; stating that once the park was built private funders would lose their motivation. She then questioned whether that would reduce the City's share of the cost.

Gary stated he feels like \$15,000 is a fair amount for the public contribution. Councilman Simmons stated Gary didn't seem to be very interested in this project.

Councilman Cantrell stated that there is public interest in a skateboard park but no public interest in a petanque court. Mayor Thompson stated that the "petanque people" have stated they would bring a tournament here which would include about 192 teams.

Councilman Cantrell stated that this skateboard park has been talked about for 15 years.

Gary stated the only thing that held him back in the past was having to staff it. He stated that most of the kids now are pretty good to work with. He stated Eliot has worked with the kids who are now more respectful to the staff.

Councilman Simmons asked about how the City was going to make money with the petanque tournament. Sally said possibly concession fees, vendor fees, court rentals.

Gary stated a lot would be from hotel stays, gas purchases, food sales, via tourism, and other indirect benefits.

The City Manager stated that Gary would need to let the skateboard committee know they need to find \$15,000 as a prerequisite before this moves forward.

Martin Luther King Jr. Park Renovations - \$400,000 – Gary stated this location was probably a big mistake years ago because it's built on a hillside. This park still operates but has not been updated. Michael Berley has been working on plans which includes moving park lower. Gary stated the walking track is terrible. He stated the renovation will consist of putting in a water feature (similar to Martha's Park), redoing the track to be more usable, updating playground equipment and renovations to the restrooms. He stated there would be no city monies used for this update, it would come from the Recreation Foundation and the Kate B. Reynolds Foundation grant. The City Manager stated the only City money is in the infrastructure work that is happening with the parking improvements for the park, pool, and recreation center.

Councilman Fleming asked how much this park was being used. Gary stated years ago it was used a lot, but not so much recently. He stated that as the City has done more at Mtn. View they see some kids go up to the park; however, he stated, it is not an inviting park as it exists.

The City Attorney added this a good addition to the Mtn View Rec / Aquatic Center, especially when the greenway connector is added.

Park Improvement - \$40,000

Resurface Tennis Courts at Collett Street - \$15,000 (resurfaced every 3 years)

Resurface Tennis Courts at Bethel Park - \$10,000

Morganton Recreation Foundation - \$10,000 – we work well with the Rec Foundation.

This is the third payment of money loaned.

Replace 2012 Mower - \$22,000

Replace Mower - \$22,000

Replace 2007 Z-turn Mower - \$20,000

**IRMS** – Greg Branch's requests included:

City-wide connectivity - \$20,000

Servers - \$13,000

Document Imaging - \$50,000

Public Safety Server - \$6,500. He stated this might be able to be pushed out another year, but would really like to keep in this budget year.

Greg stated that Document Imaging seems like a big price tag, but it minimize searches and storage. This can be set to follow retention schedules and automatically delete records as needed. This can index and catalog into digital files. This is a multi-year process with this being the first year.

The Mayor called a recess for lunch at 12:15 p.m. The Mayor reconvened the meeting at 1:00 p.m.

**Water/Wastewater** – Brad Boris stated that part of having a “great city” is having toilets that flush and potable water. Needs in the water department include:

Chemical feed system modernization - \$165,000 –relining sodium hypochlorite tank rather than replacing.

Water tank maintenance - \$309,000 – Brad stated that most of the water infrastructure is underground. Water tanks are assets that are seen. Brad stated the Valdese Avenue tank is most in need of refurbishment.

Refurbish pipe gallery at water treatment plant - \$250,000 – last refurbished in 2000 and should add another 20 years of life.

Line replacement \$30,000

Main replacement program - \$250,000

Line extensions - \$30,000

Exit 104 - \$51,648

Replace turbidimeters - \$75,000

Sampling stations for compliance testing - \$15,000

Portable light system - \$20,000 – employee safety for night time work

#### Wastewater:

Bethel Sewer Basin rehab project - \$200,000 - impaired water quality in Hunting Creek due to failing City sewer lines.

RAS pumps 1&2 replacements - \$150,000 – These have been refurbished twice and cannot be done again. They do not meet capacity. 40 years of service out of this.

Line replacement \$30,000

Line extensions - \$30,000

Manhole Rehab program - \$80,000

Sewer line rehab program - \$125,000

Exit 104 - \$34,526

Centrifuge rebuild - \$70,000 – 5,500 hours – usually rebuild at 5,000 hours

Silver Creek pump station rehabilitation - \$40,000 – engineering study. Most used pump station.

Mayor Thompson asked if the Case Farms run-off has improved. Brad stated that Kenny Fleming has been doing unannounced visits and things are looking better. They are working on changes at Case. Case is looking at their process for improvements and efficiency. The City will be metering their sewer which will be better for Case too. Case is working well with the Water Resource department.

Councilman Cantrell asked about water sampling, stating that Walker Street was an issue a few months ago. Brad stated they are still working with Development & Design for looping the line so the water will turn over more. They are working on flushing water through there more often so this is moving ahead.

#### **Electric** – Brooks' requests include:

Replace 2003 bucket truck - \$230,000 more work on engine and bucket.

Replace 2004 Ford F350 - \$120,125 – 12 years old, trouble with the boom

Replace substation SCADA RTU (Del 1) - \$17,250

Upgrade industrial customer substations - \$160,000

Substation security monitoring system - \$16,500  
Upgrade substation mechanical breakers (D4) - \$15,000  
Upgrade substation regulators (Del 1)  
System improvements - \$100,000  
Pole Inspection - \$50,000

**CoMPAS** Bill's requests include:

DSR Satellite Receivers - \$33,200  
System Improvements/expansion - \$70,000  
28'x60' Shed to cover trucks/equipment - \$20,000  
Path Track system upgrade - \$50,000

Bill stated the future lies in internet and phone.

**Debt Update**

Finance Director Karen Duncan updated Council on the debt schedule, posing the question "How are we going to pay for all of this?" She stated there are three ways to pay for capital: 1) raise enough money in current budget but that would mean raising rates or taxes, 2) Use reserves, which we've done in the past, or 3) borrow money.

She shared a spreadsheet with the Council with all the current debt payments. She stated that our legal debt margin is \$123,164,084 which the state would say is OK; however we won't do that because we would have to raise taxes, rates, etc.

Karen stated that currently, the total interest and principal, we only have about \$10 million in debt without the SRF loan, which is good for a City our size. She stated that our bond rating is better than Burke County. In the short run the interest rates for the current 25 outstanding debts are very low due to our S&P AA rating.

The City Manager stated the only long term debt is associated with the City Hall building, Catawba Meadows, and the SRF loan, otherwise all loans are 3-7 years. Karen talked about how much city-wide debt has decreased over the past 5 years.

**Wrap-up and Adjourn** – The Manager stated that we are wrapping up early, but just beginning to work on operations budgets, then she will begin to schedule budget meetings.

Mayor Thompson asked the Manager to please state, at the next staff meeting, his thanks to the staff for their hard work.

Adjournment – The meeting was adjourned at 1:58 p.m.

Preparation of Minutes. These minutes were prepared by Mikela D. Russell, Assistant City Clerk. Copies of all resolutions, ordinances and orders referenced in these minutes

are intended to be incorporated into these minutes as if fully set forth herein. Prior to including them into the official minute book, the minutes have been read and approved by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.

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Mayor

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Assistant City Clerk